



STATE OF WEST VIRGINIA
OFFICE OF THE ATTORNEY GENERAL
DARRELL V. MCGRAW, JR.
CONSUMER PROTECTION DIVISION
1-800-368-8808 or 304-558-8986

Press Release

August 24, 2006

FOR IMMEDIATE RELEASE

CONTACT: CHARLI FULTON

304-558-8986

800-368-8808

ATTORNEY GENERAL MCGRAW SETTLES WITH DEBT COLLECTOR – CONSUMERS TO RECEIVE OVER \$40,000 IN REFUNDS

Attorney General Darrell McGraw today announced that his office has entered into a settlement agreement which will provide \$40,883.62 in refunds and \$249,173.48 in cancellation of unlawful fees for 3,125 West Virginia consumers. The Attorney General's investigation was prompted by a complaint from a consumer whose \$3,200 cell phone bill increased by \$500 after it was transferred for collection. West Virginia law prohibits collecting or attempting to collect interest or other charges, fees or expenses incidental to the principal obligation of a debt. This law applies both to professional debt collectors and to creditors collecting their own accounts.

Financial Asset Management Systems, Inc. (FAMS), a debt collection agency from Tucker, Georgia, cooperated in the Attorney General's investigation and promptly stopped collecting the added fees. Under the settlement, FAMS will provide refunds of the unlawful fees to consumers who have already paid the fees and will cancel the fees that were previously added to other consumer accounts.

Attorney General McGraw advises consumers who receive contacts from debt collectors to carefully examine the amount that is being demanded. Under federal law, a debt collector is required to send a written validation notice of the debt within five days of its first contact with the consumer. The consumer has 30 days from the date of that notice to dispute the debt in writing. Consumers who believe they are being charged more than they owe or that the debt is not their debt should dispute the debt and require the debt collector to provide verification that the consumer owes the debt and that the amount being collected is the correct amount.

To file a complaint about a consumer matter or to alert the Attorney General about unfair or deceptive act or practices call 1-800-368-8808 or 304-558-8986.

###